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CURRENT INTELLIGENCE WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

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T H E W E E K I N B R I E F

PART I

OF IMMEDIATE INTEREST

KHRUSHCHEV AT THE UN GENERAL ASSEMBLY . . . . . Page 1

Khrushchev seems determined to overcome any impression that the bloc is on the defensive as a result of the generally adverse reaction to his UN reorganization plan. Khrushchev probably believed that the President's letter turning down a meeting and Macmillan's speech at the UN required a vigorous reply to dispel any suggestion of retreat. His performance indicates that the bloc will pursue an uncompromising line toward the West for the remainder of the UN session, but in talks with Prime Minister Macmillan he has indicated that a summit negotiation on the Berlin question might be possible in a few months. (b)(1)

Hammarskjold will be under increasing pressure from Asian-African UN members to revamp the senior echelons of the UN Secretariat to make its composition more representative of the present membership. (b)(3)

REPUBLIC OF THE CONGO . . . . . Page 4

The government crisis in Leopoldville continues, although Lumumba appears to have lost the support of many of the deputies from his own stronghold of Stanleyville and may no longer be able to carry the assembly. The projected round-table conference of political leaders now may be shelved by Colonel Mobutu in favor of a direct appeal to the Congolese assembly. The apparent erosion of Lumumba's support will make it more difficult for his African allies--the UAR, Ghana, and Guinea--to restore him to power. Meanwhile, the UN Command is turning greater attention to the Congo's grave economic and health problems. (b)(3)

SITUATION IN LAOS . . . . . Page 6

Premier Souvanna Phouma seems to be gaining the upper hand in his struggle with General Phoumi's Savannakhet Revolutionary Group. Souvanna's improved position is reflected in his growing reluctance to negotiate with Savannakhet. Negotiations between Souvanna and the Communist Pathet Lao are apparently imminent. The Pathet Lao will be negotiating from a strong position because of its control of Sam Neua Province. (b)(3)

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PART II

NOTES AND COMMENTS

SINO-SOVIET RELATIONS . . . . . Page 1

Moscow evidently sent a high-level delegation, possibly including Mikoyan and Suslov, to Peiping in September, presumably to attempt again to find some way to compose the dispute between the Soviet and Chinese Communist parties and end the bitter recriminations of recent months. Moscow may have felt that as a result of its campaign to isolate the Chinese party in the world Communist movement, Peiping would be more ready to compromise. Recent Chinese statements, however, suggest that no progress toward reconciliation has been made, and a further deterioration in relations appears likely. (b)(3)

PEIPING CELEBRATES NATIONAL DAY . . . . . Page 4

The 11th anniversary of the founding of the Chinese Communist regime was celebrated on 1 October in a more subdued spirit than in previous years. Peiping had no outstanding economic achievements to announce; indeed, the principal speaker this year, Foreign Minister Chen Yi, dwelt on the effects of natural disasters on this year's grain harvest. The failure of all bloc countries, except Albania, to send delegations underlined the stresses in the Sino-Soviet alliance. A highlight of the day was the signing of the Sino-Burmese boundary treaty--an event stressed in holiday propaganda, particularly for neutral countries, as proof of Chinese adherence to peaceful coexistence. (b)(3)

ALBANIA REAFFIRMS SUPPORT OF CHINESE POSITIONS . . . . . Page 5

Albania, the smallest and least significant of the satellites, in the last three weeks has firmly aligned itself with the Chinese Communist positions in the Sino-Soviet dispute. China is supporting Albania in the face of growing Soviet disapproval of the Tirana regime. The Soviet leaders probably view Albania's continued willingness to defy Moscow as a threat to their campaign to isolate China and to their authority in Eastern Europe, and can be expected to make further moves to bring Albania into line. Tirana leaders earlier were reported to be uneasy and tense, apparently because of Soviet pressure, and evidently have postponed their party congress scheduled for November. (b)(3)

ITALIAN COMMUNISTS AND THE SINO-SOVIET DISPUTE . . . . . Page 7

The Sino-Soviet dispute has revived the "hard-soft" controversy that has long plagued Italy's Communist party--the largest outside the Soviet bloc. Secretary General

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Togliatti can be expected to keep the party firmly oriented toward Moscow, but opposition elements may attempt to use the Sino-Soviet dispute to undercut the present party leaders. Provincial congresses reportedly will be held throughout Italy this fall to discuss "peaceful coexistence between diverse systems and the noninevitability of war." (b)(3)

TENSIONS OVER BERLIN . . . . . Page 8

Bonn's termination of its 1961 trade agreement with East Germany--announced on 30 September in retaliation for Communist harassment of West Berlin--will probably not result in an end to interzonal trade, but it puts West Germany in a legal position to take further action to restrict trade. Bonn and West Berlin authorities are considering a plan to strengthen West Berlin's position by routing all interzonal shipments through West Berlin, thereby making it difficult for the East Germans to tamper with Berlin access routes without blocking their own imports. Party boss Ulbricht on 4 October strongly asserted East German "sovereignty" over East Berlin and demanded establishment of a demilitarized "free city" of West Berlin, but gave no indication of what countermeasures his regime intends to take. His cautious attitude may mean that any decision on countermeasures must await Khrushchev's return from New York. (b)(3)

CUBAN DEVELOPMENTS . . . . . Page 10

Fidel Castro's experience at the UN General Assembly has apparently strengthened his view of himself as a leader of the peoples of all underdeveloped countries "against imperialism," and there are indications that he may return to the UN later this month. Castro has announced that Nkrumah and Nasir may visit Cuba, and his regime is increasing its propaganda support of the Algerian rebels. Meanwhile, the government is further strengthening its ties to the Sino-Soviet bloc in various ways. (b)(3)

NEW PARTY STRUCTURE IN THE SOVIET ARMED FORCES . . . . . Page 12

A plan set forth in May to expand the regular party structure in the Soviet armed services now is being implemented as a result of a new decree of the Soviet central committee. Battalion-level party organizations are being given powers formerly exercised at the regimental level. Further steps toward replacing the political departments in military units with the type of party organizational forms found in civilian life will probably depend on the success the new organizations have in safeguarding party interests in the military. (b)(3)

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USSR INTENSIFIES CAMPAIGN AGAINST IDLERS . . . . . Page 12

Moscow has stepped up its drive against "parasites" and idlers, and greater efforts are being made to generate widespread public indignation against all forms of undesirable behavior. The campaign has spread into all social levels, even the upper levels of the bureaucracy, and includes particularly vehement attacks on the tendency to acquire private property. Parasitism in all its varieties is characterized as the most serious vice of present-day Soviet society. (b)(3)

ALGERIA . . . . . Page 14

Representatives of the Algerian rebels are intensifying their efforts both in New York and in Western capitals to secure backing for a UN-conducted referendum to settle Algeria's political future. Rebel Premier Ferhat Abbas' trip to Peiping was probably undertaken to demonstrate to Western governments that the rebels were in earnest when they stated they would accept aid "wherever it can be found." Meanwhile, Morocco and Tunisia are engaged in maneuvers designed to enlist UN intervention in Algeria on the pattern of UN operations in the Congo. (b)(3)

MIDDLE EAST DEVELOPMENTS . . . . . Page 15

The situation along the Syrian-Jordanian border has eased somewhat, but efforts to arrange a meeting between Husayn and Nasir have been unsuccessful, and the tensions between the two countries persist. Jordan's recognition of the Qasim regime in Iraq stems from the antipathy of both governments toward the UAR; the two countries now may cooperate to support secessionist tendencies in the UAR's Syrian region. On a neighboring border, Israel's resumption of dredging work in the Jordan River is causing new friction with the UAR.

In Iraq, the regime's crackdown on extremism in the press appears to be damaging the Communists more than the nationalists. Relations between the Qasim government and the Iraq Petroleum Company are worsening. New efforts are under way in Sudan to form a coalition among the various influential elements seeking to oust the Abboud regime. (b)(3)

AFGHAN-PAKISTANI BORDER TROUBLES . . . . . Page 18

Fighting among the Pushtoon tribes living along the Afghan-Pakistani border north of the Khyber Pass now appears to be slackening. Despite the continuing build-up of military forces in the area and the exchange of recriminations, both Kabul and Rawalpindi seem to be trying to keep the disturbance localized. (b)(3)

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SINO-BURMESE BORDER TREATY . . . . . Page 20

The Burmese consider the border treaty signed on 1 October in Peiping their most significant diplomatic achievement since independence. The exactitude of the language and completeness of detail in the treaty appear to be products of the Burmese chief negotiator's determined effort to make it difficult for Peiping to find any basis for future disputes over the treaty's interpretation. The Burmese still view the Chinese as a dangerous neighbor and have placed the frontier areas under special army administration. (b)(3)

PHILIPPINE CONCERN OVER POSSIBLE RESURGENCE OF HUK ACTIVITY . . . . . Page 20

A recent wave of killings in Luzon provinces, possibly politically motivated, has caused speculation in the Philippines concerning a possible resurgence of the Communist-led Huk rebellion. The Huks apparently have no more than a nuisance capability, however, and the Philippine Communists are not believed to be abandoning their primary reliance on tactics of subversion and on efforts to exploit the country's growing nationalist sentiment. (b)(3)

SOUTH KOREAN UNREST . . . . . Page 21

Increasing South Korean student unrest, agitation among lower ranking officers in the armed forces, and press criticism suggest growing popular dissatisfaction with the Chang Myon government. The situation is aggravated by the political stalemate resulting from factionalism in the ruling party which prevents the government from taking a firm lead in shaping public opinion. (b)(3)

THE COMMON MARKET'S FARM PROBLEM . . . . . Page 22

The Common Market is encountering strong opposition to its program for gradually equalizing agricultural prices among the member states, supporting prices with variable import duties, and replacing national marketing bodies with community agencies. The program, which had been recently revised by the Common Market Commission in an effort to satisfy both internal and external criticism, is still criticized as either insufficiently protectionist or not liberal enough. An agreed farm policy, however, is probably prerequisite to full implementation of last May's decision to accelerate the Common Market's development. (b)(3)

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POLITICAL INSTABILITY IN EL SALVADOR . . . . . Page 23

The Salvadoran Government has emerged from its recent political crisis in a dangerously weakened condition and on 3 October extended the state of siege for an additional 30 days. Communist and pro-Castro elements are actively exploiting growing popular pressure for socio-economic reforms, and President Lemus has been unable to provide the leadership required to carry out his electoral promises of moderate progress in this field. A new political crisis could arise at any time and might result in a military seizure of power and the subsequent transfer of the presidency to the still popular ex-President Osorio.

(b)(3)

PROSPECTIVE CHANGES IN FEDERATION OF RHODESIA AND NYASALAND . . . . . Page 24

The publication on 11 October of the Monckton Commission report on possible structural changes in the Federation of Rhodesia and Nyasaland will revive controversy as London tries to reach an accommodation between white-settler and African-nationalist interests. While now tending to concede to African aspirations, London will be unwilling to "sell out" the white settlers at a constitutional conference which may follow as early as December. Britain's recent moves to promote harmonious relations with African nationalists will probably not prove wholly successful, and the federations' white-settler prime minister already opposes the reported recommendation that Nyasaland and Northern Rhodesia be free to secede after five years.

(b)(3)

REPUBLIC REFERENDUM IN SOUTH AFRICA . . . . . Page 26

The victory of Prime Minister Verwoerd's Nationalist party in the referendum on 5 October gives Verwoerd a mandate to press for the early reconstitution of South Africa as a republic. The strong showing of the opposition indicates that the deep split between the Afrikaans- and English-speaking communities has not been lessened. Verwoerd may call for new elections to increase his commanding lead in parliament. His announced intention to proceed with the establishment of a republic regardless of Commonwealth disapproval could lead to the republic's denial of membership--the first such action in Commonwealth history.

(b)(3)

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PART III

PATTERNS AND PERSPECTIVES

POLITICAL PERSPECTIVES IN TURKEY . . . . . Page 1

As the military regime in Turkey enters its fifth month in power, the restoration of civil authority, which the regime still professes as its goal, appears more distant than ever. The ruling Committee of National Union (CNU), having consolidated its position, has launched a widespread program of reform. Despite outward signs of stability, however, there are growing indications of cleavage and tension within the ruling group and of possible adverse public reaction to the forthcoming trials of officials of the ousted Menderes government. In developing its foreign policy, the CNU may in effect promote "positive neutrality" and accept Soviet aid offers.

(b)(3)

FRENCH LABOR AND THE FIFTH REPUBLIC . . . . . Page 4

French labor unions have been in a relatively unfavorable position under the De Gaulle regime, and until well into 1959 were hesitant to press demands on the government. Since then strike activity has increased, but the government has ignored most union demands and is unlikely to change its basic policy of tight wage controls. The Communist leaders of the General Labor Confederation are confident that they have laid a firm basis for broad joint action with the non-Communist unions at some future date.

(b)(3)

(b)(1)

BOLIVIA UNDER THE NEW PAZ ADMINISTRATION . . . . . Page 13

In its first two months in office the leftist Paz Estenssoro administration has initiated a drive for foreign aid in improving Bolivia's economy, which is nearly bankrupt despite continuing US help. Paz

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apparently hopes for substantial investment in the tin mines from Germany or France; in addition the USSR has suggested the possibility of aid. Paz may hope that demonstrable economic progress will free him from his considerable political dependence on the Communist-infiltrated labor forces linked with Vice President Juan Lechin. These forces have been strengthened in the past year or two by Bolivia's continued failure to achieve the economic growth promised in the sweeping revolution of 1952. (b)(3)

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SINO-BURMESE BORDER TREATY

Burmese political leaders view the new Sino-Burmese border treaty, signed on 1 October in Peiping, as their most significant diplomatic achievement since independence. For the first time in modern history, the entire border between the two countries has been defined in terms acceptable to both governments. The treaty has eliminated legal justification for Chinese incursions by doing away with overlapping territorial claims. Moreover, Burma made far fewer territorial concessions in the process of reaching agreement than it had feared would be necessary.

The text of the 12-article treaty and attached notes carry strong evidence of the skill of Burma's chief negotiator, Brigadier Aung Gyi, who is deeply suspicious of China's intentions. Throughout there is a marked exactitude of language which is intended to avoid future differences in interpretation of the treaty. Wherever the language of the treaty appears ambiguous, it is supplemented by a detailed map. The only intentional ambiguity remaining in the treaty is the identity of the "western extremity of the Sino-Burmese boundary" --an issue in dispute between China and India.

The treaty and attached notes provide restrictions which should help limit illegal border crossings by the tribal peoples residing on both sides of the frontier. Residents in the transferred areas automatically take on the citizenship of the administering government unless they declare their allegiance to the former government within one year and move out within two years, trans-frontier cultivation is to be eliminated within three years, and the traditional right of the tribal peoples to visit across the frontier is eliminated.

Even though 1 October was declared a national holiday in Burma to celebrate the border treaty, the Burmese leaders continue to recognize Communist China as a dangerous neighbor. In an effort to develop at least minimal defenses against potential incursions from the north, the government has turned over the frontier areas in the Shan and Kachin states to a special army administration. [redacted] (b)(3)

PHILIPPINE CONCERN OVER POSSIBLE RESURGENCE OF HUK ACTIVITY

A recent wave of killings in rural areas of Luzon has caused considerable speculation in the Philippines concerning a possible resurgence of the Communist-led Huk rebellion, which posed a serious internal threat after World War II.

In mid-September, Philippine defense and military leaders met to consider the implication of reports that 13 provincial murders in a two-week period were part of a Communist liquidation campaign against former Huks who had turned government informers. Armed Forces Chief of Staff Lt. Gen. Cabal ordered a reinforcement of constabulary units on Luzon with 2,000 army troops and placed all troops on

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alert status. Since the subsequent capture of two relatively senior Huks, military leaders appear less apprehensive of a new Communist uprising.

Although this drive, like past ones, does not appear to have eliminated any major pocket of remaining Huk strength, Philippine defense leaders have given it considerable publicity. According to the American Embassy, there has been no real evidence of a Huk resurgence, although Communist responsibility for the provincial murders cannot be discounted. A Philippine security agency has recently reported that it has evidence of Communist plans to assassinate certain political leaders in Manila, including Vice President Macapagal, in order to create a political crisis during the 1961 elections.

The number of armed Huks in the Philippines is estimated at less than 300; this number could be increased by recruiting among presently passive supporters, particularly in central Luzon where abuses persist over land tenure. Some Philippine officials have noted a directive in the most recently captured Communist "political transmission" to "increasing the present armed element." The major part of the document, however, continues to emphasize nonviolent tactics and the necessity for supporting the forces of Philippine nationalism. Although the Garcia administration has recently tended to mute the anti-American overtones of its "Filipino First" programs, the Communists have had some success in exploiting this theme among the student, intellectual, and labor circles. (b)(3)

SOUTH KOREAN UNREST

Increasing South Korean student unrest, agitation among lower ranking officers in the armed forces, and the appearance of editorial criticism suggest growing popular dissatisfaction with the Chang Myon government. The situation is aggravated by the political stalemate resulting from factionalism in the ruling party which prevents the government from taking a firm lead in shaping public opinion.

The government is concerned over the unrest and confusion encouraged by continuing demonstrations by students and other groups which the police report have involved 775,000 persons since April. Conservative elements are tiring of the almost continuous street disturbances, but the government apparently feels powerless to act because students are generally still considered almost sacrosanct. Many students are critical of the UN formula for unification, which calls for UN-sponsored elections in both parts of the country, and favor the "neutralization" of Korea, increased contacts between North and South, and a "Korean summit" conference to explore the possibilities of unifying the country. One group of students favors a military coup.

A group of junior officers in the army, hoping for promotion, is agitating for the ouster of senior commanders. Junior officers recently visited Prime Minister Chang and the minister

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